

**(800) 473-6757**



**Call the  
MOSTARS  
Information  
Center**

to speak with trained staff members about any article published in this newsletter or to obtain free information about the state and federal student financial assistance programs.

**(573) 751-3940**

**January 2000**



**Missouri Student Assistance Resource Services**

**MOSTARS is a division of the Missouri Department of Higher Education**



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This portion of the **MOSTARS** newsletter includes questions and answers regarding various topics brought to our attention by MOSTARS clients.

If you happen to see one of your questions published, give yourself a pat on the back for asking a question that may benefit other clients.

In addition, if you think there is a need for a published clarification on a particular topic, contact the **MOSTARS Information Center at (800) 473-6757 or (573) 751-3940** to discuss the topic. We may include the question in future issues of **MOSTARS**. ★

## ADVANTAGE MISSOURI PROGRAM

### What are the high demand occupational areas for the 2000-01 academic year?

**D**uring its Oct. 7 meeting, the Coordinating Board for Higher Education designated computer technology, advanced manufacturing, and bio-medical/biotechnology-related occupations as being in high demand for the 2000-01 academic year. These are the same high demand areas designated for the 1999-2000 academic year.

### When will the academic programs of instruction be designated for the 2000-01 academic year?

**T**he recommendations to designate the academic programs of study for the 2000-01 year will be presented for the Coordinating Board for Higher Education's consideration during its Feb. 10 meeting. Pending board approval, a list of the designated programs will be available in late February.

### What will be the Advantage Missouri application process for the 2000-01 academic year?

**A**s with 1999-2000 applicants, whether new or renewal, 2000-01 applicants must complete the Free Application for Federal Student Aid, which must be received by the central processor by April 1. MOSTARS will produce and mail Advantage Missouri preprinted applications and contracts to all renewal students. New applicants must complete an original blank application and contract. Applications and contracts for both new and renewal applicants must be completed and submitted to MOSTARS by April 1.

### When will the Advantage Missouri applications be available?

**T**he Advantage Missouri Program applications for both new and renewal applicants are scheduled to be available in February.

### If a student receives an Advantage Missouri award at one participating institution in the fall semester and transfers to a different participating institution in the spring, is the student eligible for an Advantage Missouri award for the spring semester?

**Y**es. A new application must be certified by the new institution to determine the student's eligibility. If the application is approved by MOSTARS, the student will receive the spring award at the new institution.

## BRIDGE SCHOLARSHIP PROGRAM

**Will the Bridge Scholarship Program be available for the 2000-01 academic year?**

**N**o. The Bridge Program has been phased out and will not be available during the 2000-01 academic year. Only renewal students (students who received a Bridge award during the 1998-99 academic year) were considered for the award for the 1999-2000 academic year.

## MISSOURI'S SAVINGS PROGRAM

**What is the status of the state's new savings program?**

**M**OST (Missouri Saving for Tuition) is Missouri's new savings and investment program that encourages families to begin saving early for education after high school. The MOST Program began accepting deposits on Nov. 1. As of Dec. 31, the program had received \$6.5 million in deposits for 2,139 accounts. Parents, students and schools can call the MOST Program toll-free at (888) 414-6678 or visit the program's web site at [www.missouriMOST.com](http://www.missouriMOST.com) for more information.

## MISSOURI COLLEGE GUARANTEE PROGRAM

**What is the maximum annual award a student can receive for the Missouri College Guarantee Program?**

**F**ollowing the Missouri College Guarantee statutory provisions, the maximum annual award amount a student can receive is the amount of fees charged at the University of Missouri with the largest enrollment and a standard book allowance determined by MOSTARS. The maximum award amount for the 1999-2000 academic year is \$4,500. The final award amount is determined after any federal and state non-repayable need-based student aid programs are considered. Therefore, similar to the Bridge Program, the maximum College Guarantee award is calculated after a combination of estimated Federal Pell Grant, actual Charles Gallagher Student Financial Assistance Program and Bridge Scholarship Program awards (for 1999-2000) are considered.

**What will be the application process for the Missouri College Guarantee Program?**

**A**s with the 1999-2000 academic year, the FAFSA will serve as the application for the Missouri College Guarantee Program. The FAFSA must be received by the central processor by April 1. MOSTARS will obtain information regarding the high school eligibility requirements from the existing ACT assessment data files currently used for the Bright Flight Scholarship Program.

## For Your Convenience



An information box indicating subject matter accompanies each article in this newsletter. This box also contains an identifiable icon, the name of the article's contact person (where applicable), his or her phone number and e-mail user ID. The formula for e-mail addresses at MOSTARS and the Missouri Department of Higher Education is as follows:

**USER ID?**[cbhe400@admin.mocbhe.gov](mailto:cbhe400@admin.mocbhe.gov)

Remember, you also can contact the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940.

## Application Deadline Set for State Student Financial Assistance Programs

**F**or the 2000-01 academic year, the application deadline for all state need-based student financial assistance programs administered by MOSTARS (Charles Gallagher Student Financial Assistance Program, Advantage Missouri Program, Ross Barnett Memorial Scholarship Program and the Missouri College Guarantee Program) is April 1, 2000. This means a student's original FAFSA must be received by the Central Processing System (CPS) by April 1, which has been the date of the application deadline for the last several years for the Charles Gallagher Program. The common application deadline will be beneficial when projecting estimated program awards, and this deadline will apply to both new and renewal applicants for all these programs. Students who apply after the deadline might not be considered for awards.

## 16,000 Students Expected to Attend College Countdown Expo

**T**he first Metropolitan St. Louis College Countdown Expo will be held March 24–25 from 9 a.m. to 3 p.m. in the America's Center — TWA Dome in St. Louis. It is estimated that more than 16,000 metropolitan St. Louis area high school freshman, sophomores, juniors and prospective community college transfer students along with their families will attend this early awareness college expo.

The Metropolitan Expo is sponsored in part by the St. Louis area's public and private high schools, community organizations, local and state government agencies and postsecondary education institutions. The expo is being promoted

extensively throughout the St. Louis metropolitan area. MOSTARS is a sponsoring partner and a participant in this event.

If you have questions regarding how you can participate in or contribute to the Metropolitan St. Louis College Countdown Expo, contact Hal Deuser, scholarship/financial aid director at Saint Louis University, at (314) 977-2353 or by e-mail at [deuser@slu.edu](mailto:deuser@slu.edu). ★



**T**he bond equivalent rates of the 91-day Treasury Bills auctioned during the quarter ending Dec. 31, 1999, is **5.22 percent.**

## School Participation in Loan Programs

**I**n accordance with statutes enacted by the Higher Education Amendments of 1998, a school can choose to participate in any one of the following Federal Family Education Loan Programs: the subsidized Federal Stafford Loan Program, the unsubsidized Federal Stafford Loan Program or the Federal PLUS Loan Program.

A school elects the loan programs it wants to participate in on its Application for Approval to Participate in the Federal Student Financial Aid Programs. A school can modify its choices by directing a letter to the U.S. Department of Education's Institutional Participation and Oversight Service. In this letter, a school should identify the loan programs from which the school wants to withdraw and confirm the loan programs for which it wants to remain eligible. (See page 211 of the 1999-2000 Federal Student Financial Aid Handbook, Institutional Eligibility and Participation Section, to obtain IPOS contact information.)

Industry discussions regarding a school's choice of loan programs have resulted in the clarification of several points:

- ★ A school that chooses not to participate in the Federal PLUS Loan Program is not permitted to automatically certify additional unsubsidized Federal Stafford Loan funds to dependent undergraduate students.
- ★ A school that participates in the unsubsidized Federal Stafford Loan Program cannot establish a policy of routinely refusing to certify additional unsubsidized Federal Stafford Loan funds to dependent undergraduate students whose parents have been denied a Federal PLUS loan.
- ★ If a school participates in the unsubsidized Federal Stafford Loan Program, it cannot limit Federal Stafford Loan borrowing to "base amounts"; in other words, it cannot establish a policy of routinely refusing to certify

additional unsubsidized Federal Stafford Loan funds to its otherwise eligible students.

A school can exercise its option to refuse to certify Federal Stafford Loan funds to certify an amount less than that for which the student is otherwise eligible on a case-by-case basis, providing the reason for the refusal is documented and explained to the student in writing.

If you have questions regarding participation in the various loan programs, contact the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940. ★

### FFELP Program



**Carolyn Brown**  
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# President Signs Special Allowance Change

**FFELP  
Program**



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**P**resident Bill Clinton signed H.R. 1180, the Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-170), on Dec. 17. Section 409 of H.R. 1180 amends Section 438(b)(2) of the Higher Education Act, changing the formula that determines the amount of special allowance paid to a lender on Federal Stafford and Federal PLUS loans first disbursed on or after Jan. 1, 2000. For Federal Consolidation Loans, the new special allowance formula is applicable to applications received by the consolidating lender on or after Jan. 1, 2000. Whereas the current special allowance formula is based on the average bond equivalent of the 91-day Treasury Bills auctioned for the quarter, the basis for the new formula is the commercial paper rate.

## The following formula is used to calculate the quarterly special allowance rate for Stafford Loans in repayment or forbearance status:

- ★ Determine the average of the bond equivalent rates of the quotes of the three-month commercial paper (financial) rates in effect for each of the days in the quarter\*
- ★ Subtract the applicable interest rate on the loan
- ★ Add 2.34 percent
- ★ Divide by 4

## The following formula is used to calculate the quarterly special allowance rate for Federal Stafford Loans in an in-school or grace period status:

- ★ Determine the average of the bond equivalent rates of the quotes of the three-month commercial paper (financial) rates in effect for each of the days in the quarter\*
- ★ Subtract the applicable interest rate on the loan
- ★ Add 1.74 percent
- ★ Divide by 4

## The following formula is used to calculate the quarterly special allowance rate for Federal PLUS loans:

- ★ Determine the average of the bond equivalent rates of the quotes of the three-month commercial paper (financial) rates in effect for each of the days in the quarter\*
- ★ Subtract the applicable interest rate on the loan
- ★ Add 2.64 percent
- ★ Divide by 4

**Note:** No special allowance is paid on PLUS loans first disbursed on or after Jan. 1, 2000, and before July 1, 2003, during the 12-month period July 1 through June 30, unless, on the preceding June 1, the bond equivalent rate of the 91-day Treasury bills auctioned at the final auction held prior to June 1, plus 3.1, exceeds 9 percent.

## The following formula is used to calculate the quarterly special allowance rate for Federal Consolidation Loans:

- ★ Determine the average of the bond equivalent rates of the quotes of the three-month commercial paper (financial) rates in effect for each of the days in the quarter\*
- ★ Subtract the applicable interest rate on the loan
- ★ Add 2.64 percent
- ★ Divide by 4

This change does **NOT** affect the interest rate charged to the borrower.

If you have questions regarding the special allowance calculation, contact the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940. ★

**\*The new law refers to Federal Reserve Publication H-15 or its successor as the source for the applicable three-month commercial paper rates. Further information regarding commercial paper rates may be obtained from the Federal Reserve web site at [www.federalreserve.gov/releases/cp/](http://www.federalreserve.gov/releases/cp/).**

# Changes to the Eligible Lender List

**C**lients who use the Missouri Student Loan Program Combined Eligible Lender List should make note of the following change. New lists are printed upon request, so your list may already have these changes. Refer to the effective date of the changes and compare them to the date listed at the lower left corner of your list to determine whether or not you should pencil in these changes.

## Addition

### **Firstar Bank, NA, Trustee for EFSI, OE 833617-00**

Participation Categories: Sub, Unsub, PLUS  
Added Nov. 17, 1999

### Participation Lists



CariAnne Cutshall  
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(573) 522-2008  
USER ID: ccutshal

**To request an MSLP Combined Eligible Lender List, call the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940.**

**For more information refer to the August 1998 issue of FFELPfacts. You also can view a sample of the list in the October 1998 issue of MOSTARS.**

**We anticipate adding a version of this list to our MOSTARS web site for immediate client access. Look for additional changes and for a notice of web site availability in future issues of the MOSTARS newsletter. ★**

# Unreported Loans Report Follow-Up

**A**s mentioned in the November and December 1999 issues of the MOSTARS newsletter, the Missouri Student Loan Program mailed a fourth Unreported Loans Report to affected lenders on Dec. 3. The reports included loans that have not been reported through the National Student Loan Data System lender manifest process since the quarter ending June 1999, as well as loans that have never been reported through the lender manifest process. The reports were mailed to the lender address as listed on the MSLP database; therefore, the lender's servicer may receive the report on behalf of the lender.

If you are a lender and would like to know how many unreported loans are under your lender code, contact your servicer or the MOSTARS Information Center at

(800) 473-6757 or (573) 751-3940, and ask to have the total amounts of unreported loans under your lender code. The MSLP does not have copies of the original reports, but it does have a copy of the summary report, sorted by lender code and servicer code, along with basic information regarding the affected loans.

As MOSTARS has stressed, it is important to clean up unreported accounts. If you have questions regarding reporting reconciliations on the Unreported Loans Report, contact Missy Markis at Guarantec, the MSLP servicer, at (800) 667-7906, extension 7480, or Kendra Robinson at extension 7440. ★

### FFELP Program



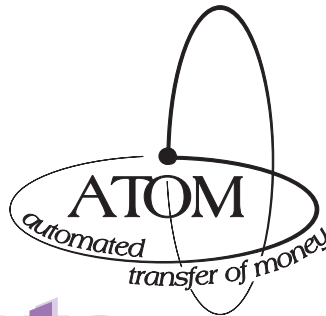
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**ATOM  
News**



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# ATOM Helpful Hints



**T**hese tips will provide useful information in your day-to-day ATOM processing. The "hints" have been categorized according to the groups they affect: schools, lenders or all ATOM participants.

## Schools

→ Schools have the option of transmitting Loan Period Changes using CLIPS. When entering such transactions, input the new loan period in the field referred to as "Revised/Current Loan Period." The old loan period also must be entered in the "Prior Loan Period" field. If the prior loan period does not match the loan period the loan was guaranteed with, the change will be rejected.

When entering grade level or AGD changes, the "Revised/Current Loan Period" is a required field. If the loan period does not need to be changed, enter the original loan period in the "Revised/Current Loan Period" field.

→ When returning loan funds for cancelations, refunds/overawards, reschedules and so on for any ATOM disbursed loan, mail them to:

**MSLP/ATOM**  
**3515 Amazonas Drive**  
**Jefferson City, MO 65109**

Mailing returned funds directly to the lender or the lender's servicer delays the processing of your request by the amount of time it takes for these third parties to forward the correspondence and funds to MSLP/ATOM.

## Mailing Address Reminder



**W**hen mailing forms to the Missouri Student Loan Program or its servicer, Guarantec, remember that all forms should not be mailed to the same address. Listed below are the correct addresses to use when mailing the following forms to the MSLP or to Guarantec.

### MSLP

- ★ Fee Billing Statement
- ★ Bankruptcy Claims
- ★ Policy Interpretation Questions
- ★ 799 Parts V and VI (copies)

**MSLP**  
**3515 Amazonas**  
**Jefferson City, MO 65109**

**OR**

**P.O. Box 6730**  
**Jefferson City, MO 65102**

**(800) 473-6757 or**  
**(573) 751-3940**  
**Fax (573) 751-6635**

### Guarantec

- ★ PCA Information
- ★ Claims (except bankruptcy)

**Guarantec, LLP**  
**6420 Southpoint Parkway**  
**Jacksonville, FL 32216**

- ★ Applications

**P.O. Box 53198**  
**Jacksonville, FL 32203**

- ★ Loan Status Update Forms (Form-8)

**P.O. Box 52838**  
**Jacksonville, FL 32203**

**(800) 824-4893**  
**Fax (904) 281-7373**

# Expiration Dates for Forms

**M**arch 1, 2000, is significant related to the use of both the Master Promissory Note and the Federal PLUS Loan Application and Promissory Note.

In September, the U.S. Department of Education issued Dear Guaranty Agency Director Letter GEN-99-28, along with the revised PLUS Application and Promissory Note. The data fields on the application materials did not change; however, the text of the materials was revised. The prior PLUS materials can be distributed by lenders through February; however, the revised PLUS materials must be issued on or after March 1.

Also in September, the U.S. Department of Education issued Dear Guaranty Agency Director Letter GEN-99-30, including the revised MPN expiration date of Aug. 31, 2002, and the new OMB number of 1845-0006. The previous MPN had an expiration date of Sept. 30, 1999. As with the new PLUS materials, the MPNs with an expiration date of Sept. 30, 1999, can be distributed by lenders through February 2000. The revised MPN must be issued on or after March 1, 2000.

The MSLP servicer, Guarantec, has the revised forms available for order. You can place an order by sending an

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**FFELP  
Program**



e-mail message to forms@guarantec.com or by faxing your order to (904) 281-7373. For questions regarding a form order, call Guarantec at (904) 281-7415.

If you have questions regarding the revised forms, contact the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940. ★

The Missouri Department of Higher Education makes every effort to provide program accessibility to all citizens without regard to disability. If you require this publication in an alternate form, contact the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940. Hearing/speech impaired can call (800) 735-2966.

**Coordinating Board for Higher Education**  
3515 Amazonas Drive  
Jefferson City, MO 65109

**FIRST CLASS**

MOSTARS, a division of the Coordinating Board for Higher Education, publishes this newsletter to inform Missouri's financial aid community of current issues concerning the Missouri Student Loan Program and the Missouri Grant and Scholarship Programs.

Dr. Ray Henry .....CBHE Chairman

Dr. Kala M. Stroup.....Commissioner  
of Higher Education

Karen Misjak .....MOSTARS Director